

**ADOPTED REGULATION OF
THE DEPARTMENT OF MOTOR VEHICLES**

LCB File No. R044-13

Effective October 23, 2013

The provisions of this regulation were removed from LCB File No. R026-13 for separate consideration.

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §1, NRS 482.429, as amended by section 1.5 of Assembly Bill No. 309, chapter 474, Statutes of Nevada 2013, at page 2827.

A REGULATION relating to motor vehicles; establishing fees to be charged for the expedited processing or mailing of certain certificates of title; and providing other matters properly relating thereto.

Section 1. NAC 482.907 is hereby amended to read as follows:

482.907 For the services set forth in NRS 482.429, *as amended by section 1.5 of Assembly Bill No. 309, chapter 474, Statutes of Nevada 2013, at page 2827*, the Department will charge and collect the following fees:

1. For each certificate of title issued for a vehicle present or registered in this State.....\$20.00
2. For each duplicate certificate of title issued.....20.00
3. For each certificate of title issued for a vehicle not present in or registered in this State.....35.00
4. *For the expedited processing of a certificate of title described in subsection 1, 2 or 3, an additional fee20.00*

5. For the expedited mailing of a certificate of title described in subsection 1, 2 or 3 that does not include prepaid postage, an additional fee.....	20.00
6. For the processing of each dealer's or rebuilder's report of sale submitted to the Department.....	8.25
7. For the processing of each long-term lessor's report of lease submitted to the Department.....	8.25
8. For the processing of each endorsed certificate of title or statement submitted to the Department upon the sale of a used or rebuilt vehicle in this State by a person who is not a dealer or rebuilder.....	8.25

NOTICE OF ADOPTION OF REGULATION

The Nevada Department of Motor Vehicles adopted regulations assigned LCB File No. R044-13, which pertain to chapter number 482 of the Nevada Administrative Code, on October 8, 2013. A copy of the regulations as adopted is attached hereto.

INFORMATIONAL STATEMENT OF ADOPTED REGULATIONS AS REQUIRED BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066 LCB FILE NO. R044-13 October 8, 2013

1. The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 482:

(a) A clear and concise explanation of the need for the adopted regulation

Assembly Bill 309 was passed in the 2013 Legislative Session authorizing the Department of Motor Vehicles to charge a fee for the expedited processing of a certificate of title, and a fee for the expedited mailing of a certificate of title.

The need for this regulation is to establish the fee for the expedited processing of a certificate of title, and the fee for the expedited mailing of a certificate of title. The fees collected will be used to defray the costs of processing and mailing expedited certificates of title.

(b) A description of how public comment was solicited, a summary of the public response and an explanation of how other interested persons may obtain a copy of the summary.

Copies of the proposed regulation, notices of workshop and notices of intent to act upon the regulations were sent out for posting by electronic mail to all DMV offices and county libraries where there is not a DMV office. They were also made available on the Department of Motor Vehicles website at www.dmvnv.com/publicmeetings.htm.

A Public Workshop was noticed on July 9, 2013, and held on July 25, 2013 at the Nevada State Legislative Building in Carson City and video-conferenced to the Grant Sawyer Building in Las Vegas and Great Basin College in Elko. At the time of the workshop the regulation was assigned number R026-13. No members of the general public attended the workshop.

Following the workshop, the Department decided to remove the provisions relating to expedited title fees from LCB file R026-13. This was done in order to allow more time focusing on expedited title issues while ensuring regulations for the remaining provisions moved forward. The proposed regulation to establish a fee for the processing of an

expedited title was subsequently submitted to LCB as a separate regulation and was assigned number R044-13.

A Notice of Intent to Act upon the Regulations was noticed on August 7, 2013, and a public hearing was held on September 10, 2013. The hearing was held at the Nevada State Legislative Building in Carson City and video-conferenced to Las Vegas and Elko. No members of the general public attended the hearing.

A recording of the Public Workshop and Notice of Intent to Act upon the Regulations is on file at the Department of Motor Vehicles, Management Services and Programs Division, 555 Wright Way, Carson City, Nevada 89711. Copies of these minutes may be obtained by written request to Attention: Pete Olson, Department of Motor Vehicles, Management Services and Programs Division, 555 Wright Way, Carson City, Nevada 89711.

(c) The number of persons who:

(1) Attended each hearing; 11

In attendance in Carson City – 9

Jude Hurin, Department of Motor Vehicles (Hearings Officer)

Sean McDonald, Department of Motor Vehicles

Doreen Rigsby, Department of Motor Vehicles

Ted Imfeld, Department of Motor Vehicles

A.R. Fairman, ARF Corp.

Carol Ethridge, Michael Hohl Automotive

Tiffany Thompson, Michael Hohl Automotive

Sandi Saling, Diamond Motors

Rebecca Lee, Carson City Toyota

In attendance in Las Vegas – 1

Kevin Malone, Department of Motor Vehicles

In attendance in Elko - 1

Laura Brown, Department of Motor Vehicles

(2) Testified at the hearing - 2

(3) Submitted to the agency written statements – 0

(d) For each person identified in subparagraphs (2) and (3) of paragraph (c)

Sandi Saling: Diamond Motors; 775-356-8664; 2233 Prater Way, Sparks, NV 89431;
sjsaling@yahoo.com

A.R. Fairman: ARF Corp.; 775-885-9832; 311 S. Roop Street, Carson City, NV
89701; *arfairman@yahoo.com*

- (e) **A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited using electronic mail and postings as described in Question (b) for both the Workshop and the Hearing. They were also sent out by electronic mail to all industry contacts that the Department keeps on record. They were also made available on the Department of Motor Vehicles website at www.dmvnv.com/publicmeetings.htm

Seven members from the automobile sales industry attended the workshop. Written comments were also received following the workshop and were taken into consideration.

One concern consistent among the written comments was the Department's decision to discontinue its same day (over-the-counter) title service. The Department explained that the Department cannot continue this service due to the exorbitant cost to replace these highly sophisticated printers and the ability to obtain replacement parts for its current printers.

Suggestions ranged from allowing dealers to pick up titles from the Department when they are printed to allowing for gradual increase in fees rather than \$20 all at once. The Department responded that it will not charge the fees to dealers until the implementation date of its Electronic Lien Transfer (ELT) program, estimated to be January 2015. The question was asked if dealers would still be able to mail titles to the Department at the rate of three titles per envelope per day. The Department responded that the ability to mail in titles will continue.

Five members from the business industry attended the noticed hearing in Carson City. Two people testified. A.R. Fairman, AARF Corp., asked if commercial vehicles would be affected the same as non-commercial vehicles. Doreen Rigsby answered, yes the expedited title process and fees would be the same for all vehicles. Sandi Saling, Diamond Motors, asked if the same day (over-the-counter) titles that the Department currently provides will be phased out. Sean McDonald affirmed that over-the counter titles will be phased out as the title printers wear out. The cost to replace the printers is exorbitant and parts are no longer available.

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- (f) **If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The regulation was adopted without change. The Department addressed concerns of businesses and will not begin charging dealers the expedited title fee until early 2015. This is being done without the need to change the regulations.

- (g) The estimated economic effect of the adopted regulation on the businesses that it is to regulate and on the public. These must be stated separately, and each case must include:**

Business:

- (1) Both adverse and beneficial effects; and**

The \$20 fees for expedited titles will impact both businesses and the general public alike. However, the impact will be greater to automobile dealers and titling services since it is primarily these businesses that will utilize the Department's expedited title service.

The collection of these fees will enable the Department to continue to accommodate the needs of dealers and titling services by providing an expedited titling process. This service will greatly benefit these businesses in the immediate and long-term.

- (2) Both immediate and long-term effects.**

Immediate: the fees will not be charged until the implementation of the Department's electronic lien title program, sometime in the first quarter of calendar year 2015.

Long-term: fees will be charged beginning in 2015.

Public:

- (1) Both adverse and beneficial effects; and**

The \$20 fees for expedited titles will impact both businesses and the general public alike. However, because the general public rarely utilizes this service, the impact will be minimal.

- (2) Both immediate and long-term effects.**

Fees will be charged to the general public (non-dealers) beginning in 2014. The immediate and long-term effect is the same.

- (h) The estimated cost to the agency for enforcement of the adopted regulation.**

There is no additional cost to the Department of Motor Vehicles for the enforcement of the adopted regulations.

- (i) A description of any regulations of other state or government agencies that the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

There are no other state or federal government agency regulations that are duplicated or overlapped by the adopted regulations.

(j) If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

There are no federal regulations that regulate the same activity as addressed in the adopted regulations.

(k) If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The regulation provides new fees for the expedited processing of a vehicle certificate of title and the expedited mailing of certificate of title. These fees will be used to offset the cost of providing expedited title services.

Total Annual Estimated Revenue

Statistics and Assumptions

Because the expedited title and mailing program is a new and an optional service the Department has limited internal statistics on which to base the projected revenues.

- The Department is basing the \$20 expedited title processing fee on the average cost of other states that charge a fee for expedited titles.
- Customers will not be charged expedited title fees until the implementation of the Electronic Lien and Title (ELT) program, estimated to be the third quarter of fiscal year 2015.
- All titles with liens will be transferred electronically to the lienholder under the ELT program.
- The Department processed 53,690 “same day” titles in Calendar Year 2012. The assumption is made that all, or 100%, of these titles will become “expedited” titles under the Department’s new process.
- Approximately 44 percent of the total titles processed by the Department are titles with liens, or “lien titles”. Conversely, 56 percent of total titles processed were “non-lien titles”.
- The State of Arizona, which has implemented an Electronic Lien and Title program, reports that approximately three percent of those “lien titles” are requested for expedited processing. The Department is basing its estimate of the number of expedited titles processed as 3% of the titles currently processed as “same day” titles. The factor of 3% is applied to both “lien titles” and “non-lien titles”.

- The Department will provide an optional expedited title mailing service. The fee charged by the Department for the expedited mailing of a title is \$20. This is a new service and revenue projections are indeterminable.
- Expedited title requests by non-business customers occur on an occasional basis. While these customers are significantly impacted by the \$20 fee, the total projected revenue is considered insignificant.

Expedited Titles: Estimated Yearly Counts

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Lien Titles	23,518	23,800	24,109	24,423	24,740
Non-lien Titles	30,172	30,534	30,931	31,334	31,741

1. The State Demographers estimated growth rate was applied: FY 2013, 1.2%; FY 2104, 1.3%; FY 2015, 1.3%; FY 2016, 1.3%.

Projected Revenue: Expedited Title Processing Fees

	FY 2014	FY 2015	FY 2016
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	Counts	Revenue	Counts	Revenue	Counts	Revenue
Lien Titles	242	\$0	367	\$7,340	743	\$14,860
Non-lien Titles	310	\$0	471	\$9,420	953	\$19,060
Total	552	\$0	838	\$16,760	1,696	\$33,920

Notes:

1. Yearly counts for expedited titles are based on 3% of total titles currently processed as “same day” titles.
2. The estimated implementation of expedited processing and mailing of titles is February 2014. Counts for FY 2014 are based on four months. Revenue is \$0 because customers are not being charged until the implementation of the Electronic Lien and Title program (ELT).
3. Counts and revenue for FY 2015 are based on six months. Fees will not be charged until the implementation of the ELT program, estimated to be the third quarter of FY 2015.

Projected Revenue: Optional Expedited Mailing Fees

This is a new service and difficult to estimate revenues. Therefore, revenue estimates are indeterminable. It is most likely that businesses requesting expedited mailing will utilize their company Fed Ex accounts rather than paying the \$20 fee.